AMENDED IN ASSEMBLY AUGUST 19, 2004 AMENDED IN SENATE MARCH 24, 2004

SENATE BILL

No. 1777

Introduced by Senator Ducheny

February 20, 2004

An act to amend Sections Section 65584.1 of the Government Code, and to amend Sections 17021.6, 18021.7, 50451, 50452, and 50453 of, and to repeal Section 50524 of, the Health and Safety Code, relating to the statewide housing plan.

LEGISLATIVE COUNSEL'S DIGEST

- SB 1777, as amended, Ducheny. California Statewide Housing Plan.
- (1) Existing law authorizes a council of governments to charge a fee to local governments to cover the projected reasonable, actual costs of the council in distributing regional housing needs. A city, county, or city and county may charge a fee to support the work of the planning agency and to reimburse it for the cost of any fee charged by the council of governments.

This bill would instead authorize the city, county, or city and county to charge a fee not to exceed the amount charged in the aggregate to the city, county, or city and county by the council of governments.

(2) The existing Employee Housing Act deems employee housing providing accommodations for 12 or fewer employees an agricultural land use for designated purposes.

This bill, instead, would deem employee housing consisting of no more than 12 beds in a group quarters or 12 units or spaces designed SB 1777 — 2 —

for use by a single family or household, an agricultural land use for those designated purposes.

(3) Existing law requires the California Statewide Housing Plan to include housing development goals for the fiscal year the plan is revised and projected 4 additional fiscal years ahead, as well as goals for the provision of housing assistance for the fiscal year the plan is revised and projected 4 additional fiscal years ahead.

This bill would, instead, require the plan to include a description of the statewide need for housing development for the year the plan is revised and projected 4 additional years ahead and would revise the housing assistance goals requirement, as specified.

(2)

(4) Existing law requires the Department of Housing and Community Development to biennially update and provide a revision of the plan to the Legislature.

This bill would, instead, require the Department of Housing and Community Development to update and provide a revision to the Legislature by January 1, 2006, by January 1, 2009, and every 4 years thereafter.

(3)

(5) Existing law requires the plan to provide a database for local housing market studies and serve as a guide for local housing elements.

This bill would require the plan to provide a reference guide for local market studies and for local housing elements.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 65584.1 of the Government Code is 2 amended to read:
- 2 amended to read:
 65584.1. Councils of government may charge a fee to local
- 4 governments to cover the projected reasonable, actual costs of the
- 5 council in distributing regional housing needs pursuant to this
- article. Any fee shall not exceed the estimated amount required to
- 7 implement its obligations under this article pursuant to Section 8 65584. A city, county, or city and county may charge a fee,
- 8 03384. A city, county, or city and county may charge a fee,
- 9 including, but not limited to, a fee pursuant to Section 65104 to
- 10 support the work of the planning agency pursuant to this article,
- 11 and not to exceed the amount charged in the aggregate to the city,

3 SB 1777

county, or city and county by the council of governments, to reimburse it for the cost of any the fee charged by the council of government to cover the council's actual costs in distributing regional housing needs. The legislative body of the city, county, or city and county shall impose any the fee pursuant to Section 66016, except that if the fee creates revenue in excess of actual costs, those revenues shall be refunded to the payers of the fee. This section is declaratory of existing law.

- SEC. 2. Section 17021.6 of the Health and Safety Code is amended to read:
- 17021.6. (a) The owner of any employee housing who has qualified, or is intended intends to qualify, for a permit to operate pursuant to this part may invoke the provisions of this section.
- (b) Any employee housing providing accommodations for 12 or fewer employees consisting of no more than 12 beds in a group quarters or 12 units or spaces designed for use by a singe family or household shall be deemed an agricultural land use designation for the purposes of this section. For the purpose of all local ordinances, employee housing shall not be deemed a use that implies that the employee housing is an activity that differs in any other way from an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that serves 12 or fewer employees that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in an agricultural zone shall include agricultural employees who do not work on the property where the employee housing is located.
- (c) Except as otherwise provided in this part, employee housing that serves 12 or fewer employees consisting of no more than 12 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall not be subject to any business taxes, local registration fees, use permit fees, or other fees to which other agricultural activities in the same zone are not likewise subject. Nothing in this subdivision shall be construed to forbid the imposition of local property taxes, fees for water services and garbage collection, fees for normal inspections, local bond assessments, and other fees, charges, and assessments to which other agricultural activities in the same zone are likewise subject. Neither the State Fire Marshal nor any local public entity shall charge any fee to the owner, operator, or any resident for

SB 1777 — 4 —

enforcing fire inspection regulation pursuant to state law or regulation or local ordinance, with respect to employee housing that serves 12 or fewer persons.

- (d) For the purposes of any contract, deed, or covenant for the transfer of real property, employee housing which serves 12 or fewer employees consisting of no more than 12 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be considered an agricultural use of property, notwithstanding any disclaimers to the contrary. For purposes of this section, "employee housing" includes employee housing defined in subdivision (b) of Section 17008, even if the housing accommodations or property are not located in a rural area, as defined by Section 50101.
- (e) The Legislature hereby declares that it is the policy of this state that each county and city shall permit and encourage the development and use of sufficient numbers and types of employee housing facilities as are commensurate with local need. This section shall apply equally to any charter city, general law city, county, city and county, district, and any other local public entity. For the purposes of this section, "12 or fewer employees" does not include the family members of any employee.
- (f) If any owner who invokes the provisions of this section fails to maintain a permit to operate pursuant to this part throughout the first 10 consecutive years following the issuance of the original certificate of occupancy, both of the following shall occur:
- (1) The enforcement agency shall notify the appropriate local government entity.
- (2) The public agency that has waived any taxes, fees, assessments, or charges for employee housing pursuant to this section may recover the amount of those taxes, fees, assessments, or charges from the landowner, less 10 percent of that amount for each year that a valid permit has been maintained.
- (g) Subdivision (f) shall not apply to an owner of any prospective, planned, or unfinished employee housing facility who has applied to the appropriate state and local public entities for a permit to construct or operate pursuant to this part prior to January 1, 1996.
- January 1, 1996.
 SEC. 3. Section 18021.7 of the Health and Safety Code is
 amended to read:

5 SB 1777

18021.7. (a) (1) In addition to other remedies provided in this part, the Director of Housing and Community Development or his or her designee may issue a citation that assesses a civil penalty payable to the department to any licensee who violates Section 18021.5, 18029.6, or 18030, subdivision (b) of Section 18032, Section 18035, 18035.1, 18035.2, 18035.3, 18036, 18039, 18045, 18045.5, 18045.6, 18046, or 18058, subdivision (a) of Section 18059, subdivision (b) of Section 18059.5, subdivision (c) of Section 18060, subdivision (c) of Section 18060.5, Section 18061, subdivision (d), (i), or (j) of Section 18061.5, subdivision (a) or (b) of Section 18062, subdivision (a), (b), (d), (e), (f), (g), or (h) of Section 18062.2, subdivision (c) of Section 18063, or Section 18080.5.

(2) A violation of subdivision (d) of Section 18060.5 is also cause for citation if both the dealer and the manufacturer receive written notice of a warranty complaint from the complainant, from the department, or another source of information, and, at a minimum, the 90-day period provided for correction of substantial defects pursuant to Section 1797.7 of the Civil Code has expired.

- (3) Each citation and related civil penalty assessment shall be issued no later than six months one year after discovery of the violation.
- (b) The amount of any civil penalty assessed pursuant to subdivision (a) shall be one hundred dollars (\$100) for each violation, but shall be increased to two hundred fifty dollars (\$250) for each subsequent violation of the same prohibition for which a citation for the subsequent violation is issued within one year of the citation for the previous violation. The violation or violations giving cause for the citation shall be corrected if applicable, and payment of the civil penalty shall be remitted to the department within 45 days of the date of issuance of the citation. Civil penalties received by the department pursuant to this section shall be deposited in the Mobilehome-Manufactured Home Revolving Fund.
- (c) Any person or entity served a citation pursuant to this section may petition for, and shall be granted, an informal hearing before the director or his or her designee. The petition shall be a written request briefly stating the grounds for the request. Any petition to be considered shall be received by the department within 30 days of the date of issuance of the citation.

SB 1777 -6-

 (d) Upon receipt of a timely and complying petition, the department shall suspend enforcement of the citation and set a time and place for the informal hearing and shall give the licensee written notice thereof. The hearing shall commence no later than 30 days following receipt of the petition or at another time scheduled by the department pursuant to a request by the licensee or department if good and sufficient cause exists. If the licensee fails to appear at the time and place scheduled for the hearing, the department may notify the licensee in writing that the petition is dismissed and that compliance with terms of the citation shall occur within 10 days after receipt of the notification.

- (e) The department shall notify the petitioner in writing of its decision and the reasons therefor within 30 days following conclusion of the informal hearing held pursuant to this section. If the decision upholds the citation, in whole or in part, the licensee shall comply with the citation in accordance with the decision within 30 days after the decision is mailed by the department.
- (f) Nothing in this section shall be construed to preclude remedies available under other provisions of law.
- SEC. 4. Section 50451 of the Health and Safety Code is amended to read:
- 50451. The California Statewide Housing Plan shall incorporate a statement of housing goals, policies, and objectives, as well as all of the following segments:
- (a) An evaluation and summary of housing conditions throughout the state, with particular emphasis upon the availability of housing for all economic segments of the state. The evaluation shall include summary statistics for all counties, all multicounty metropolitan areas, and rural areas, as defined and designated by the Bureau of the Census of the United States Department of Commerce, rather than as defined in Section 50101. The evaluation shall include the existing distribution of housing by type, size, gross rent, value, and, to the extent data is available, condition, and the existing distribution of households by gross income, size, and ethnic character for each of those areas.
- (b) A determination of the statewide need for housing development for the year the plan is revised and projected four additional years ahead. The determination of statewide need shall be established as the minimum number of units necessary to be built or rehabilitated in order to provide sufficient housing to house

__ 7 __ SB 1777

all residents of the state in standard, uncrowded units in suitable locations.

- (c) Goals for the provision of housing assistance for the year the plan is revised and projected four additional years ahead. The goals shall be established as the minimum number of households to be assisted that will result in achieving, by the fourth subsequent year, a substantial reduction in the number of very low income households and other persons and families of low or moderate income constrained to pay more than 30 percent of their gross income for housing. Income groups to be considered in establishing the goals shall be designated by the department and shall include households a significant number of which are required to pay more than 30 percent of their gross income for housing in the fiscal year the plan is revised, as determined by the department.
- (d) An identification of governmental and nongovernmental constraints and obstacles and specific recommendations for their removal
- (e) An analysis of state and local housing and building codes and their enforcement. The analysis shall include consideration of whether those codes contain sufficient flexibility to respond to new methods of construction and new materials.
- (f) Recommendations for actions by federal, state, and local governments and the private sector that will contribute to the attainment of the housing goals established for California.
- (g) A housing strategy that coordinates the housing assistance and activities of state and local agencies, including the provision of housing assistance for various population groups including, but not limited to, elderly persons, persons with disabilities, large families, families where a female is the head of the household, farmworker households, and other specific population groups as deemed appropriate by the department. To inform the strategy, the department shall, to the extent possible, do the following:
- (1) Consider information compiled by the University of California pursuant to Section 9101.5 of the Welfare and Institutions Code, and from provider and consumer organizations as available.
- (2) Consult with various state departments, including the California Department of Aging, the State Department of Social Services, the State Department of Health Services, the State

SB 1777 **—8** —

- Department of Mental Health, the Employment Development
- Department, the State Department of Developmental Services,
- and other state departments or agencies to obtain information
- deemed relevant to the housing needs of populations addressed in
- the housing strategy. This paragraph shall not be construed to require activity beyond the customary scope of the department's
- planning process.
 - (h) A review of housing assistance policies, goals, and objectives affecting the homeless.

SEC. 2.

8

9

10

11

12

13

15

16 17

18

19

20

21

24

25

26

28

29

32 33

34

35

36 37

- SEC. 5. Section 50452 of the Health and Safety Code is amended to read:
- 50452. The department shall update and provide a revision of 14 the California Statewide Housing Plan to the Legislature by January 1, 2006, by January 1, 2009, and every four years thereafter. The revisions shall contain all of the following segments:
 - (a) A comparison of the housing need for the preceding four years with the amount of building permits issued and mobilehome units sold in those fiscal years.
 - (b) A revision of the determination of the statewide need for housing development specified in subdivision (b) of Section 50451 for the current year and projected four additional years ahead.
 - (c) A revision of the housing assistance goals specified in subdivision (c) of Section 50451 for the current year and projected four additional years ahead.
 - (d) A revision of the evaluation required by subdivision (a) of Section 50451 as new census or other survey data become available. The revision shall contain an evaluation and summary of housing conditions throughout the state and may highlight data for multicounty or regional areas, as determined by the department. The revision shall include a discussion of the housing needs of various population groups, including, but not limited to, the elderly persons, disabled persons, large families, families where a female is the head of the household, and farmworker households.
 - (e) An updating of recommendations for actions by federal, state, and local governments and the private sector which will

__9 __ SB 1777

- facilitate the attainment of housing goals established for 2 California.
- 3 The Legislature may review the plan and the updates of the plan and transmit its comments on the plan or updates of the plan to the
- Governor, the Secretary of the Business, Transportation, and
- Housing Agency, and the Director of Housing and Community Development.
 - SEC. 3.

- 9 SEC. 6. Section 50453 of the Health and Safety Code is 10 amended to read:
- 11 50453. The California Statewide Housing Plan developed pursuant to Section 50450 shall provide a reference guide for local 12
- housing market studies and for local housing elements required by 13
- Section 65302 of the Government Code. It is also intended to
- provide a framework for local housing plans. 15
- 16 SEC. 4.
- SEC. 7. Section 50524 of the Health and Safety Code is 17 18 repealed.